



ORRICK

Official Committee of Equity Security Holders of
USA Capital Diversified Trust Deed Fund, LLC
1112 Worthen Circle
Las Vegas, NV 89145
Attn: Robert G. Worthen
Chair

November 27, 2006
Client No. 17908
Invoice No. 1041844

Orrick Contact: Marc A. Levinson

FOR SERVICES RENDERED through October 31, 2006 in connection
with the matters described on the attached pages:

\$ 194,875.00

DISBURSEMENTS as per attached pages:

2,511.08

TOTAL CURRENT FEES & DISBURSEMENTS (Pay this Amount):

\$ 197,386.08

Matter(s): 17908/2 – USA Capital Diversified Trust Fund Commi

DUE UPON RECEIPT

The following is for information only:

Previous Balance not included in this invoice:

\$882,747.51

If this amount has already been paid, please disregard.

In order to ensure proper credit to your account,
please reference your **INVOICE** and **CLIENT** numbers on your remittance.
For inquiries, call: (304) 231-2701. Fax (304) 231-2501.

REMITTANCE COPY - PLEASE RETURN WITH PAYMENT

REMITTANCE ADDRESS:

Orrick, Herrington & Sutcliffe LLP
File 72887 P.O. Box 61000
San Francisco, CA 94161-2887
Reference: 17908/ Invoice: 1041844
E.I.N. 94-2952627

OVERNIGHT DELIVERY:

Orrick, Herrington & Sutcliffe LLP
c/o Bank of America, File #72887
1455 Market Street, 21st Floor
San Francisco, CA 94103
(415) 436-4300

ELECTRONIC FUNDS

TRANSFERS:

Wire Transfers Only:

ABA Number 0260-0959-3
Bank of America
100 West 33rd Street, NY, NY 10001
Account of
Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1041844
E.I.N. 94-2952627

ELECTRONIC FUNDS

TRANSFERS:

ACH Transfers Only:

ABA Number 121-000358
Bank of America
San Francisco Main Branch
Account of
Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1041844
E.I.N. 94-2952627



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 Attn: Robert G. Worthen
 Chair

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Orrick Contact: Marc A. Levinson

For Legal Services Rendered Through October 31, 2006 in Connection With:

Matter: 2 - USA Capital Diversified Trust Fund Committee

Task B110 – Case Administration

10/02/06	M. Levinson	Review the form of order extending exclusivity and the A. Loraditch email memorandum re the same (.10); review R. Charles email memorandum to Mesirow re preserving data in the USACM computers and analysis re next steps on that issue (.10).	0.20	112.00
10/02/06	L. Ernce	Review draft stipulation extending exclusivity period and A. Loraditch email approving on behalf of Diversified Committee.	0.10	46.50
10/03/06	M. Levinson	Review the proposed form of order re rejection of computer and other leases and review the S. Freeman email memorandum commenting on the same with respect to preserving data.	0.20	112.00
10/03/06	L. Ernce	Review multiple electronic notices received today.	0.20	93.00
10/03/06	L. Ernce	Review draft order granting motion to reject personal property leases and email from S. Freeman re same.	0.10	46.50
10/04/06	M. Levinson	Review recent USACM press releases and review recent Review-Journal articles on the cases (.10); review the First Trust Deed committee's response re the proposed extension of exclusivity (.10); review follow-up email memoranda from A. Landis and others re the form of order rejecting the computer leases (.10).	0.30	168.00
10/04/06	L. Ernce	Exchange emails with C. Harvick re availability of debtors' financial statements per request for investors.	0.10	46.50
10/04/06	L. Ernce	Review electronic notices received today.	0.20	93.00



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10/05/06	L. Ernce	Telephone conference with M. Levinson re various case status matters.	0.20	93.00
10/05/06	L. Ernce	Review email from A. Landis and article re M. Olson's departure from USA Commercial.	0.10	46.50
10/06/06	L. Ernce	Review order extending exclusivity period; email memo to Diversified Committee professionals re same and attention to calendaring matters.	0.20	93.00
10/09/06	L. Ernce	Review email from C. Harvick re tax reporting issues.	0.10	46.50
10/10/06	M. Levinson	Review a number of email memoranda from S. Smith, A. Loraditch and others re the form of order approving the employment of ordinary course professionals and email memorandum to A. Loraditch re the same.	0.10	56.00
10/10/06	L. Ernce	Review electronic notices including notice re debtors' motion to seal and exchange emails with A. Loraditch re same.	0.20	93.00
10/11/06	L. Ernce	Review proposed order re motion to compel disclosure of First Trust Deed Fund investor information to First Trust Deed Fund Committee (.10); email memo to A. Loraditch and M. Levinson re same and suggesting Diversified Committee approach debtors for same relief (.10); review A. Loraditch response and email A. Loraditch with additional thoughts (.10); further email exchanges with A. Loraditch and M. Levinson re same (.10).	0.40	186.00
10/11/06	L. Ernce	Review draft proposed order approving debtors' retention of ordinary course professionals (.10); review emails from S. Freeman and A. Loraditch re statutory standards for reviewing ordinary course professionals' fees (.10).	0.20	93.00
10/12/06	L. Ernce	Review proposed interim order authorizing Mesirow employment (.10); review revised form of proposed order on ordinary course professionals retention motion (.10).	0.20	93.00
10/13/06	L. Ernce	Review U.S. Trustee opposition to debtors' motion to retain certain professionals and email memo to Diversified Fund professionals summarizing objection.	0.20	93.00



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10/13/06	L. Ernce	Review joinders of the JV Direct Lenders in opposition to Silver Point transaction and to debtors' employee retention plan.	0.10	46.50
10/14/06	M. Levinson	Review and re-review numerous email memoranda and documents from last week in preparation for the next week generally, and the Diversified Committee and all-hands conferences calls tomorrow in particular.	2.30	1,288.00
10/16/06	M. Levinson	Review the order approving the FTDF motion to compel disclosure of interest holders, the L. Ernce email memorandum re the same and respond to L. Ernce and to A. Loraditch re next steps.	0.10	56.00
10/16/06	L. Ernce	Review signed order on First Trust Committee's motion to compel disclosure of First Trust Deed Fund member list and email memo to A. Loraditch re same and next steps about approaching debtors for similar relief.	0.10	46.50
10/17/06	M. Levinson	Telephone conversation with M. Cohen and S. Werth re their firm's possible representation of a borrower and re case background.	0.20	112.00
10/18/06	M. Levinson	Review C. Harvick email memorandum re the next interim distribution, the B. Olson response thereto and the C. Harvick reply (.10); review the exchange of email memoranda between S. Smith and C. Harvick re the proposed distribution and re the Diversified Committee's approval thereof and review G. Garman's comment thereon (.10).	0.20	112.00
10/18/06	L. Ernce	Emails to Diversified Committee professionals re filing of funds' operating agreements with the court and related matters.	0.10	46.50
10/20/06	L. Ernce	Obtain debtors' monthly operating reports for September 2006 from electronic notices received today (.10); email to Diversified Committee professionals transmitting debtors' monthly operating reports for September 2006 and re no report yet for USA Commercial (.10).	0.20	93.00



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10/23/06	M. Levinson	Email memorandum to J. Edwards forwarding the Diversified Committee website posting re the disallowance of the Prospect High Income Fund claim and send a follow-up email memorandum to the Diversified Committee professionals re the same.	0.20	112.00
10/24/06	M. Levinson	Long telephone conversation with A. Loraditch and B. Olson re the status of the plan and Investment Partners discussions, re the bid procedures and employee compensation matters on calendar for tomorrow and re other status matters.	0.40	224.00
10/24/06	L. Ernce	Review U.S. Trustee motion to convert cases to chapter 7 and A. Loraditch email re same.	0.20	93.00
10/24/06	J. Hermann	Review and analysis of US Trustee's motion to convert all cases and formulation of responses to issues raised as part of such review.	0.50	285.00
10/24/06	L. Ernce	Confer with M. Levinson re staffing for tomorrow's hearings and review emails re same.	0.10	46.50
10/25/06	M. Levinson	Review the U.S. Trustee's motion to convert the five cases to chapter 7 (.20); telephone conversation with E. Karasik re the same (.10); portion of conference with L. Ernce devoted to responding to the motion to convert (.20); portion of conference with L. Ernce devoted to case administration and status matters (.10); portion of telephone conversation with R. Charles re next steps with respect to the motion to convert and brief telephone conversation with L. Ernce re the same (.10); review S. Strong, A. Loraditch and L. Ernce email memoranda re the debtors' response to the motion and re the possible joinder by the Diversified Committee in it (.10); exchange follow-up email memoranda with E. Karasik re today's hearings (.10).	0.90	504.00
10/25/06	L. Ernce	Confer with M. Levinson re various case administration matters.	0.20	93.00



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10/25/06	L. Ernce	Confer with M. Levinson re responding to U.S. Trustee motion to convert case to chapter 7 (.20); email to A. Jarvis and S. Strong re including me in emails on draft response to U.S. Trustee motion and exchange emails with A. Loraditch re same (.10).	0.40	186.00
10/26/06	M. Levinson	Telephone conversation with A. Loraditch re the upcoming hearing on the motion to convert the cases, the cash management motion and the intercompany claims motion and re a number of case status matters (.20); review the draft response to the motion to convert drafted by S. Strong (.20); email memorandum to S. Strong re my comments to the draft (.10); follow-up email memorandum to L. Ernce, A. Loraditch and B. Olson re the same (.10); review the draft response to the motion to convert drafted by A. Parlen (.20); follow-up email memorandum to L. Ernce, A. Loraditch and B. Olson re the same (.10).	0.90	504.00
10/26/06	L. Ernce	Review debtors' draft response to U.S. Trustee motion to convert cases (.20); review M. Levinson emails to S. Strong and to Diversified Committee professionals re same (.10); review First Trust Committee's opposition to U.S. Trustee motion to convert cases (.20); review M. Levinson email to Diversified Committee professionals re same and next steps and review A. Loraditch response (.10).	0.50	232.50
10/27/06	M. Levinson	Review the responses to the motion to convert the cases prepared by the USACM Committee and by the First Trust Committee and review the declarations in support thereof (.30); telephone conversation with L. Ernce re the form of response by the Diversified Committee and exchange follow-up email memoranda re the same (.10); review and revise the draft Diversified Committee response (.30); review and participate in a chain of email memoranda re the oppositions of the various committees to the motion (.10).	0.80	448.00



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10/27/06	L. Ernce	Review First Trust Deed Committee's finalized opposition to U.S. Trustee motion to convert cases and supporting declaration of M. Kvarda (.20); review USACM Committee's opposition to U.S. Trustee motion to convert cases and Direct Lenders' Committee's joinder (.10); draft and revise Diversified Committee's opposition to convert cases (.50); review M. Levinson comments to same and conference with M. Levinson re same (.20); revise and finalize Diversified Committee's opposition (.20); email to A. Loraditch re same and telephone conference with A. Loraditch re finalizing and filing same (.20); review debtors' finalized opposition to conversion motion (.10).	1.50	697.50
10/28/06	M. Levinson	Review email memoranda, pleadings and documents from the prior week in preparation for the upcoming week.	1.20	672.00
10/30/06	M. Levinson	Telephone conversation with M. Cohen, counsel for a borrower, re case status and the possible workout of his client's loan.	0.20	112.00
10/30/06	M. Levinson	Exchange email memoranda with and telephone conversation with A. Loraditch re the omnibus hearing later this morning (.20); telephone conversation with A. Loraditch from the courthouse following the denial of the motion to convert the cases (.10); review A. Loraditch email memorandum re the results of the hearings following the break and exchange brief follow-up email memoranda with A. Loraditch (.10); review the draft form of order extending confirmation exclusivity to December 31st and review various email memoranda re the same (.10); review C. Harvick email memorandum re his conversation with J. Reed re the management services rendered to Diversified Fund and respond to C. Harvick, M. Tucker and J. Hermann (.20).	0.70	392.00
10/30/06	L. Ernce	Review multiple electronic notices received today.	0.20	93.00



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10/30/06	L. Ernce	Conferences with M. Levinson re various case status matters including the outcome of today's hearing and preparations for tomorrow's Diversified Committee meeting.	0.30	139.50
10/31/06	L. Ernce	Review order approving continued employment of debtors' professionals on an interim basis and email to Diversified Committee professionals re same.	0.10	46.50
10/31/06	L. Ernce	Review news article in Las Vegas Review Journal re yesterday's hearing on motion to convert cases to chapter 7 and email to Diversified Committee professionals re same.	0.10	46.50
10/31/06	M. Levinson	Exchange of email memoranda with A. Loraditch and C. Harvick re management services rendered to Diversified Fund (.20); review the draft order extending confirmation exclusivity and email memoranda re the same from C. Pajak, A. Loraditch and others (.10); review the order re timing of the filing of the amended disclosure statement and of objections thereto and review a number of brief email memoranda re the same (.10)	0.40	224.00
10/31/06	L. Ernce	Review and respond to email from M. Tucker requesting information on monthly fee statements of debtors' professionals.	0.20	93.00
<i>B110 – Case Administration Total</i>			<i>16.60</i>	<i>8,655.00</i>

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	6.80	465.00	3,162.00
Jeffery D. Hermann	0.50	570.00	285.00
Marc A. Levinson	9.30	560.00	5,208.00
Total All Timekeepers	16.60	\$521.39	\$8,655.00



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Task B120 – Asset Analysis and Recovery

10/01/06	M. Levinson	Review a number of C. Harvick, J. Hermann and other email memoranda relating to collecting the Colt loans and related strategic issues.	0.20	112.00
10/02/06	J. Hermann	Telephone conference with R. Charles regarding concerns regarding sale of Royal Hotel and related matters (.20); telephone conference with S. Strong, R. Charles regarding the same and means of ensuring that monies will flow to debtors upon closing (.40); review and analysis of title report on Royal Hotel (.50); preparation of and participate in exchange of email correspondence regarding the same with Diversified Committee, debtor and USACM Committee professionals (.50).	1.60	912.00
10/03/06	M. Levinson	Portion of a very long telephone conversation with T. Allison, S. Strong, M. Tucker, C. Harvick and J. Hermann devoted to possible offers for assets of the Diversified Fund and to collection of the Colt loan (.60); review B. Olson email memorandum re the USACM setoff of Diversified collections and analysis re next steps on that issue (.20).	0.80	448.00
10/03/06	J. Hermann	Telephone conference with C. Orrock regarding further discussion of court proceedings last Thursday to expunge the equitable lien of Great White Investments on Royal Hotel and regarding other issues in connection with imminent closing of sale escrow for Royal Hotel.	0.50	285.00
10/03/06	J. Hermann	Portion of conference call with T. Allison, S. Strong, C. Harvick, M. Tucker and M. Levinson regarding issues in connection with closing of escrow for sale of Royal Hotel, the closing of the Hotel Zoso, recent efforts to obtain repayment of Colt Gateway loans from HFA entities, and regarding numerous related matters and issues in connection with sales of Epic condominiums.	0.60	342.00



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10/03/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding imminent closing Royal Hotel sale and numerous issues occasioned by the same, including encumbrances disclosed by title commitment.	0.70	399.00
10/04/06	M. Levinson	Portion of a telephone conversation with M. Tucker re seeking proposals for Diversified Fund assets (.20); portion of a telephone conversation with A. Jarvis devoted to the same (.10).	0.30	168.00
10/04/06	J. Hermann	Review and analysis of calculation of amounts owing under Sheraton Hotel loan as the same relates to irrevocable escrow instruction on sale of Hotel Zoso (.40); review and revise irrevocable escrow instructions to incorporate the same (.50); further preparation of other transaction documents necessary to assure receipt of funds from escrow (.60).	1.50	855.00
10/05/06	J. Hermann	Telephone conference with A. Jarvis and T. Allison regarding recent discussions with borrower on Colt Gateway loan, prospects for repayment and request of borrower to subordinate to new lender (.20); telephone conference with M. Tucker, C. Harvick and M. Levinson regarding handling of further efforts to participate in collection of Colt Gateway loans and handling of servicing of the same and related issues (.90); review and analysis of servicing agreements and applicable statutes in connection with the same (.20).	1.30	741.00
10/05/06	M. Levinson	Portion of a long conversation with M. Tucker, C. Harvick and J. Hermann devoted to issues relating to the Colt loans and related matters.	0.20	112.00
10/06/06	L. Ernce	Review M. Levinson email memo re his call with R. Walker re Royal Hotel and Hotel Zoso and next steps.	0.10	46.50
10/08/06	M. Levinson	Review lengthy B. Olson email and brief A. Loraditch follow-up email memorandum re their review of financing statements filed in Connecticut against the various Colt entities.	0.20	112.00



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10/09/06	M. Levinson	Review and analyze R. Charles correspondence re the ability of Diversified Fund to offset its claim against USACM, analysis re next steps in light of the same and brief email memorandum to A. Englund re the same.	0.30	168.00
10/10/06	M. Levinson	Conference with A. Englund re background in connection with her researching the R. Charles-raised issue about Diversified's ability to offset USACM's alleged fraudulent transfer claim (.20); telephone conversation with B. Olson and A. Loraditch re another aspect of the alleged fraudulent transfer claim (.20).	0.40	224.00
10/10/06	A. Englund	Telephone conference with M. Levinson regarding background information for fraudulent transfer defense research (.20); review pleadings for background (.40).	0.60	276.00
10/12/06	M. Levinson	Exchange a series of email memoranda and voicemail messages with A. Englund re a setoff related research project.	0.10	56.00
10/12/06	A. Englund	Review cases regarding setoff provided in letter from R. Charles (.60); exchange detailed telephone messages with M. Levinson regarding same (.20).	0.80	368.00
10/13/06	A. Englund	Continue research and analysis of fraudulent transfer claims (.90); email M. Levinson summarizing same (.30).	1.20	552.00
10/16/06	M. Levinson	Review C. Harvick and B. Olson email memoranda re the Colt loans and Colt properties.	0.10	56.00
10/18/06	L. Ernce	Review S. Strong email and motion filed under seal subject to confidentiality agreement.	0.30	139.50
10/23/06	L. Ernce	Review debtors' loan summaries as of September 30, 2006 and email to Diversified Professionals re same.	0.30	139.50
10/26/06	J. Hermann	Participation in conference call with A. Jarvis, R. Charles, S. Freeman, T. Allison, and M. Levinson regarding status of attempts to negotiate on closing of Hotel Zoso and litigation theories and alternatives available against Investment Partners, J. Milanowski and T. Hantges with respect to the same and generally.	1.20	684.00



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10/26/06	J. Hermann	Prepare email correspondence to D. Tyukody regarding securities violations of USACM and/or Investment Partners in connection with ongoing negotiations on plan of reorganization issues (.20); review and analysis of file materials in connection with the same (.10).	0.30	171.00
10/26/06	M. Levinson	Review J. Hermann email memorandum to D. Tyukody re the Diversified Fund's possible claims against USACM and other affiliates.	0.10	56.00
10/27/06	J. Hermann	Review and analysis of file materials for information necessary for lien against Hotel Zoso and Royal Hotel (.20); participate in exchange of email correspondence regarding the same with debtor professionals and Diversified Committee professionals (.10).	0.30	171.00
<i>B120 – Asset Analysis and Recovery Total</i>			<i>14.00</i>	<i>7,593.50</i>

<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Alyssa D. Englund	2.60	460.00	1,196.00
Lynn T. Ernce	0.70	465.00	325.50
Jeffery D. Hermann	8.00	570.00	4,560.00
Marc A. Levinson	2.70	560.00	1,512.00
Total All Timekeepers	14.00	\$542.39	\$7,593.50



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Task B152 – Meetings & Communications with other Committees

10/07/06	M. Levinson	Exchange of email memoranda with numerous committee and debtors' professionals re scheduling an all-hands conference call.	0.10	56.00
10/08/06	M. Levinson	Exchange of email memoranda with various counsel re tomorrow's all-hands call.	0.10	56.00
10/09/06	M. Levinson	Participate in all-hands conference call covering a number of issues including fee allocation, the Silver Point asset purchase agreement, intercompany claims, plan and disclosure statement and other issues (.80); follow-up telephone conversation with G. Garman (.10); exchange follow-up email memoranda with J. Hermann and M. Tucker re a possible all-hands meeting, another telephone conversation with G. Garman re the same, telephone conversation with M. Tucker re the same and follow-up voicemail message to G. Garman (.20); exchange follow-up voicemail messages with G. Garman and telephone conversation with G. Garman (.10).	1.20	672.00
10/09/06	J. Hermann	Participate in exchange of email correspondence with all estate professionals regarding all hands call (.10); participate in conference call with all estate professionals regarding coordination of efforts, status of all matters on court's docket, and numerous related topics (.80).	0.90	513.00
10/15/06	M. Levinson	Exchange email memoranda with A. Jarvis, E. Karasik, R. Charles and others re tomorrow's all-hands call.	0.10	56.00
10/16/06	M. Levinson	Exchange a series of email memoranda with A. Jarvis, E. Karasik, J. Gordon, R. Charles and others re the next all-hands conference call.	0.10	56.00
10/17/06	M. Levinson	Long all-hands conference call re Silver Point asset purchase agreement and bid procedures, plan negotiation status, Investment Partners issues, intercompany claims and other matters.	0.80	448.00



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10/17/06	J. Hermann	Participate in conference call with professionals of all committees and debtors regarding status of outstanding issues including matters set for hearing this week, status of negotiations with Silver Point on bidding procedures and related issues and ongoing plan of reorganization negotiations.	0.80	456.00
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<i>B152 – Meetings & Communications with other Committees Total</i>	4.10	2,313.00
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<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Jeffery D. Hermann	1.70	570.00	969.00
Marc A. Levinson	2.40	560.00	1,344.00
Total All Timekeepers	4.10	\$564.15	\$2,313.00



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Task B153 – Meetings & Communications with the Committee or members of the Committee

10/03/06	L. Ernce	Exchange emails with R. Worthen re status of his review of latest version of letter to Diversified Fund investors and review voicemail from R. Worthen re same (.20); email to M. Levinson re status of investor letter (.10).	0.30	139.50
10/04/06	M. Levinson	Telephone conversation with A. Loraditch and L. Ernce re scheduling a Diversified Committee call and re various issues to be discussed during such call (.20); review L. Ernce email memorandum to the Diversified Committee scheduling a conference call and review responses from Committee members thereto (.20).	0.40	224.00
10/04/06	L. Ernce	Email memo to Diversified Committee re finalized letter from R. Worthen to investors and that letter will be mailed and posted to Diversified Committee's website (.10); review S. Katz email requesting status and telephone conference with M. Levinson re same and scheduling next meeting (.20); email memo to Diversified Committee re next meeting and review responses (.20).	0.50	232.50
10/04/06	L. Ernce	Telephone conference with M. Levinson and A. Loraditch re agenda for next Diversified Committee call and re setting up call.	0.20	93.00



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10/05/06	M. Levinson	Review various email memoranda from Diversified Committee members and L. Ernce re tomorrow's conference call (.10); draft an agenda for tomorrow's call and email the same to the Diversified Committee professionals (.20); telephone conversation with L. Ernce re further preparation for tomorrow's call and re circulating the agenda to members of the Diversified Committee (.10); review T. Lawyer email memorandum to the Diversified Committee re his meeting today with J. Milanowski and email the Diversified Committee professionals re next steps in light of the same (.20); email memorandum to the Diversified Committee re the same (.20); review a number of brief responsive email memoranda from Committee members and L. Ernce (.10); review two G. Kantor email memoranda re his thoughts on plan of reorganization, Investment Partners and other issues (.10); portion of a very long telephone conversation with C. Harvick, M. Tucker and J. Hermann devoted to preparing for tomorrow's Diversified Committee call (.20); review lengthy M. Tucker email memorandum to the Committee in preparation for tomorrow's call (.10).	1.30	728.00
10/05/06	L. Ernce	Telephone conference with M. Levinson re tomorrow's Diversified Committee meeting and related matters.	0.10	46.50
10/05/06	L. Ernce	Review emails from Diversified Committee members re availability for meeting (.10); emails to Diversified Committee professionals re same and recommendation to proceed with meeting tomorrow (.10); review M. Levinson email re same and preparing agenda for call (.10); email memo to Diversified Committee with agenda for tomorrow's call (.20).	0.50	232.50
10/05/06	L. Ernce	Review T. Lawyer email to Diversified Committee and review M. Levinson emails re same and adding to meeting agenda for tomorrow (.10); exchange emails with Diversified Committee professionals re tomorrow's meeting (.10).	0.20	93.00



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10/06/06	J. Hermann	Participate in conference call with Diversified Committee members and professionals regarding recent events and decisions with respect to matters involving Investment Partners, and numerous related matters (1.50); telephone conference with M. Levinson regarding the same and follow-up issues (.20).	1.70	969.00
10/06/06	M. Levinson	Continue preparing for the upcoming Diversified Committee conference call, including the exchange of email memoranda with L. Ernce and others re the agenda (.30); participate in most of this morning's Diversified Committee conference call (1.40).	1.70	952.00
10/06/06	L. Ernce	Participate in Diversified Committee conference call.	1.70	790.50
10/06/06	L. Ernce	Exchange emails with J. Miller at BMC Group re status of mailing of letter to Diversified Fund investors and related matters (.10); review email from J. Miller and latest list of Diversified Fund investor names and addresses (.10).	0.20	93.00
10/11/06	M. Levinson	Email memorandum to the Diversified Committee and professionals re an emergency call today and re yesterday's Investment Partners developments (.20); exchange follow-up email memoranda with M. Tucker, L. Ernce and various members of the Committee (.20); telephone conversation with S. Katz and L. Ernce re the upcoming Committee call (.10); long Diversified Committee conference call (1.20).	1.70	952.00
10/11/06	L. Ernce	Review M. Levinson email to Diversified Committee re new information about Investment Partners and related matters and need for holding Diversified Committee meeting on short notice (.10); exchange emails with M. Levinson re same (.10); voicemail and email to J. Pulliam re gathering Diversified Committee members on short notice (.10); telephone conference with M. Schmahel re today's meeting (.10); participate in Diversified Committee meeting (1.20); telephone conference with M. Levinson after meeting re next steps (.10).	1.70	790.50



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10/12/06	M. Levinson	Long telephone conversation re Investment Partners, plan and other issues with M. Schmahl, R. Mason and L. Ernce (.80); voicemail message from B. Hardy, voicemail message to L. Ernce re the same and exchange follow-up email memoranda with L. Ernce (.10).	0.90	504.00
10/12/06	L. Ernce	Participate in portion of long telephone conference with M. Schmahl, R. Mason and M. Levinson re various strategies for dealing with Investment Partners developments (.60); review follow-up email from R. Mason re same (.10); confer with M. Levinson re same (.10).	0.80	372.00
10/12/06	L. Ernce	Review M. Levinson voicemail and voicemail from R. Hardy (.10); telephone conference with R. Hardy (.10).	0.20	93.00
10/13/06	M. Levinson	Email memorandum to members of the Diversified Committee re scheduling the next meeting and review follow-up email memoranda from several Diversified Committee members and L. Ernce.	0.20	112.00
10/13/06	L. Ernce	Review M. Levinson email to Diversified Committee re meeting to discuss latest developments and review responses.	0.10	46.50
10/14/06	M. Levinson	Review email memoranda from various Diversified Committee members and forward the same to L. Ernce.	0.10	56.00
10/15/06	M. Levinson	Email memorandum to B. Olson and A. Loraditch in preparation for one of the issues to be discussed at tomorrow's Diversified Committee conference call (.10); review email memoranda from Committee members re tomorrow's call, exchange email memoranda with L. Ernce re the same and review L. Ernce email memorandum to the Committee members who have not responded about the call (.10).	0.20	112.00
10/15/06	L. Ernce	Exchange emails with M. Levinson re Monday's meeting of the Diversified Committee and email memo to certain Diversified Committee members re same.	0.10	46.50



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10/16/06	M. Levinson	Telephone conversation with A. Loraditch and B. Olson in preparation for the upcoming Diversified Committee conference call (.20); telephone conversation with M. Tucker and J. Hermann in preparation for the upcoming call, with A. Jarvis for part (.50); final preparation for the Diversified Committee conference call (.30); very long Diversified Committee conference call (1.30); long follow-up telephone conversation with M. Schmahl (.40).	2.70	1,512.00
10/16/06	L. Ernce	Attend Diversified Committee conference call.	1.30	604.50
10/16/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding agenda for Diversified Committee meeting (.30); participate in conference call with Diversified Committee members and professionals regarding recent events, in particular in connection with Investment Partners strategy and recent plan negotiations (1.20).	1.50	855.00
10/17/06	M. Levinson	Review lengthy C. Harvick email memorandum to the Diversified Committee re the proposed employee retention program and send a responsive email memorandum to C. Harvick and other Diversified Committee professionals.	0.20	112.00
10/18/06	M. Levinson	Exchange email memoranda with M. Schmahl re today's meeting with J. Milanowski.	0.10	56.00
10/20/06	L. Ernce	Draft email memo to Diversified Committee re denial of the Prospect High Income Fund claim.	0.10	46.50
10/25/06	M. Levinson	Portion of conference with L. Ernce devoted to arranging for a Diversified Committee meeting on October 27th and review L. Ernce email memorandum to the members of the Committee and the Committee professionals re the same.	0.10	56.00
10/25/06	L. Ernce	Email memo to Diversified Committee re scheduling next meeting and review responses from certain Committee members re availability.	0.10	46.50



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10/26/06	M. Levinson	Review brief email memoranda from Diversified Committee members, L. Ernce and A. Loraditch re tomorrow's conference call (.10); telephone conversation with M. Schmahl re the settlement negotiations with the other committees and the status of the Investment Partners negotiations (.30); telephone conversation with R. Worthen about tomorrow's Diversified Committee call and re status matters, generally (.20).	0.60	336.00
10/26/06	L. Ernce	Follow-up email memo to Diversified Committee re next conference call and exchange emails with A. Loraditch re same.	0.10	46.50
10/27/06	L. Ernce	Participate in Diversified Committee call (1.00); email to Diversified Committee re scheduling of next meeting (.10).	1.10	511.50
10/27/06	M. Levinson	Continue preparing for this morning's Diversified Committee conference call (.30); long telephone conversation with S. Katz re case, plan and Investment Partners status because she will miss the Committee call (.40); long Diversified Committee conference call (.90); telephone conversation with M. Schmahl re this morning's Diversified Committee conference call, re plan and Investment Partners status, and re a number of other topics (.30).	1.90	1,064.00
10/27/06	J. Hermann	Telephone conference with M. Levinson regarding issues for Diversified Committee meeting (.20); participate in Diversified Committee meeting by conference call regarding recent developments on all fronts and decisions to be made (.90).	1.10	627.00
10/27/06	L. Ernce	Email to Diversified Committee re next committee meeting.	0.10	46.50
10/30/06	M. Levinson	Draft and revise email memorandum to the Diversified Committee re tomorrow's conference call and re the draft term sheet sent under cover of such email memorandum (.20); review and revise the J. Hermann draft comments to the term sheet to be transmitted to members of the Diversified Committee (.20); finalize the edits to the comments and finalize and transmit the email memorandum (.20).	0.60	336.00



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10/31/06	L. Ernce	Participate in Diversified Committee call.	1.00	465.00
10/31/06	M. Levinson	Participate in long Diversified Committee conference call (1.00); follow-up email memorandum to the members of the Diversified Committee (.10).	1.10	616.00
10/31/06	J. Hermann	Participate in conference call with Diversified Committee members and discussion of outstanding matters bearing upon decisions to be made by Diversified Committee.	0.60	342.00

<i>B153 – Meetings & Communications with the Committee or members of the Committee Total</i>	<i>29.10</i>	<i>15,357.00</i>
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Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	10.40	465.00	4,836.00
Jeffery D. Hermann	4.90	570.00	2,793.00
Marc A. Levinson	13.80	560.00	7,728.00
Total All Timekeepers	29.10	\$527.73	\$15,357.00



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Task B154 – Meetings & Communications with the Creditors or Equity holders

10/02/06	L. Ernce	Review voicemail from and return telephone call to investor P. Sindler (.10); return telephone call from investor B. Cummins (.10); review email from investor D. Medeiros and review investor list (.10).	0.30	139.50
10/03/06	M. Levinson	Long telephone conversation with Diversified Fund investor A. Olson re case status and next steps (.30); telephone conversation with Diversified Fund investor R. Sharpe (.10).	0.40	224.00
10/03/06	L. Ernce	Email memo to investor D. Medeiros responding to his inquiries (.10); telephone conference with investor (.20).	0.30	139.50
10/04/06	M. Levinson	Telephone conversation with L. Ernce re the status of the letter to Diversified Fund investors, including R. Worthen's and C. Harvick's comments thereto (.10); review an exchange of email memoranda between C. Harvick and L. Ernce concerning certain inquiries by investors (.10); review several L. Ernce email memoranda to investors (.10); review L. Ernce and K. Miller email memoranda re mailing by BMC of the letter to investors and review the L. Ernce email memorandum to A. Jarvis requesting funding for the same (.10).	0.40	224.00
10/04/06	L. Ernce	Telephone call from with J. Stine re investor W. Stine and email memo to J. Stine (.50); telephone call from investor C. Kerlinski (.10); review email from investor K. Miller (.10); conference with M. Levinson re response and email memo to investor K. Miller (.20); review Diversified Fund schedules to respond to question from J. Stine and email to J. Stine re same (.20); review email response from investor K. Miller and conference with M. Levinson re same (.10).	1.20	558.00
10/04/06	L. Ernce	Telephone conference with M. Levinson re communications with investors and related topics.	0.20	93.00



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10/04/06	L. Ernce	Telephone conference with J. Miller at BMC Group re logistics for BMC Group to mail out letters to Diversified Fund investors and related matters (.20); email memo to A. Jarvis and S. Strong re intention to mail out letter to Diversified Fund investors and re procedures for billing debtor directly (.10); exchange emails with J. Miller re timing for sending out investor letter and related issues (.10).	0.40	186.00
10/05/06	M. Levinson	Review the email memorandum from Diversified investor K. Miller and the L. Ernce email memorandum re the same, and telephone conversation with L. Ernce re the same.	0.20	112.00
10/05/06	L. Ernce	Telephone conference with M. Levinson re responding to inquiries from investor K. Miller.	0.10	46.50
10/05/06	L. Ernce	Telephone call from investor J. Palmer.	0.30	139.50
10/05/06	L. Ernce	Another telephone conference with M. Levinson re communications with investors.	0.10	46.50
10/06/06	M. Levinson	Review the exchange of L. Ernce and K. Miller re the transmission of the lengthy R. Worthen correspondence to all Diversified investors.	0.10	56.00
10/06/06	L. Ernce	Telephone call from investor N. Nagy.	0.20	93.00
10/09/06	M. Levinson	Review L. Ernce and C. Harvick email memoranda re the inquiry from Diversified Fund investor S. Novara, and review L. Ernce response to S. Novara.	0.10	56.00
10/10/06	M. Levinson	Telephone conversation with Diversified investor D. Van Hatten.	0.10	56.00
10/10/06	L. Ernce	Review email re investor request for information on K-1 forms; email to investor Novara re same.	0.20	93.00
10/10/06	L. Ernce	Attention to revising and updating Diversified Committee website.	0.60	279.00
10/11/06	M. Levinson	Review email memorandum from Diversified investors, the Fitzners, and review the lengthy L. Ernce response thereto.	0.10	56.00
10/11/06	L. Ernce	Review and respond to email from investors Fitzner (.10); review investor list (.10).	0.20	93.00
10/11/06	L. Ernce	Attention to modifications to Diversified Committee website.	0.50	232.50
10/11/06	L. Ernce	Telephone call from Diversified Fund investor Alcaro.	0.20	93.00



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10/12/06	M. Levinson	Review email memorandum from Diversified investor, K. Miller, review the L. Ernce, J. Hermann and C. Harvick follow-up email memoranda re the same and review the L. Ernce email memorandum to K. Miller (.10); review the exchange of email memoranda between L. Ernce and J. King, counsel for a revocable trust that is a Diversified investor, and review the lengthy L. Ernce email memorandum to D. Medeiros (.10).	0.20	112.00
10/12/06	L. Ernce	Long telephone call with investor Alcaro (.30); review email from investor D. Medeiros (.10); telephone call to investor Medeiros (.40); obtain information and draft follow-up email to investor D. Medeiros to provide information (.20); review and respond to J. King, counsel to certain Diversified investors (.20); review email from investor K. Miller (.10); exchange emails with C. Harvick re response to same (.10); email response to investor K. Miller and review K. Miller response with additional questions (.10); telephone call from investor A. Scalleat (.20); follow-up email memorandum to investor A. Scalleat (.10).	1.80	837.00
10/12/06	J. Hermann	Participate in exchange of email correspondence with Diversified Committee professionals regarding proper manner of responding to email inquiries of investors and posting of such responses to committee informational website.	0.30	171.00
10/13/06	M. Levinson	Review the lengthy email memorandum from P. Rieger, the A. Landis email memorandum to committee counsel re the same and the A. Loraditch follow-up email memorandum (.10); review the L. Ernce and A. Loraditch email memoranda re the L. Ernce telephone conversation with Diversified investors, the Alcaros (.10).	0.20	112.00
10/13/06	L. Ernce	Exchange further emails with C. Harvick re questions from investor K. Miller; email to K. Miller and review her email response.	0.20	93.00



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10/13/06	L. Ernce	Review email from A. Landis forwarding inquiries from investor P. Rieger and conference with M. Levinson re same; review S. Strong emailed response to A. Landis.	0.20	93.00
10/13/06	L. Ernce	Long telephone call with investors Mr. and Mrs. Alcaro (.50); email memo to A. Loraditch re same (.10).	0.60	279.00
10/16/06	L. Ernce	Telephone call from investor R. Kerlinski re proof of claim and proof of interest forms.	0.10	46.50
10/16/06	M. Levinson	Review email memorandum from Diversified investor, P. Stone, re an error in the Diversified Committee website, email memorandum to L. Ernce re the same and exchange a series of follow-up email memoranda with L. Ernce and A. Loraditch re fixing the problem and related matters.	0.20	112.00
10/16/06	L. Ernce	Review email from investor R. Maiorana and review investor list (.10); email memo to investor R. Maiorana responding to inquiries (.10); review email from investor K. Miller (.10).	0.30	139.50
10/16/06	L. Ernce	Review email from M. Levinson re responding to inquiry from investors and related matters (.10); exchange emails with M. Levinson re follow-up re same (.10); draft email memo to investor P. Stone responding to inquiries (.20).	0.40	186.00
10/16/06	L. Ernce	Review debtors' and committee websites and updating Diversified Committee website.	0.70	325.50
10/18/06	M. Levinson	Review lengthy email memorandum from Diversified Investor P. Stone (.10); exchange email memoranda with L. Ernce re responding to questions raised by such email and review lengthy L. Ernce email memorandum to P. Stone (.10); review email memorandum from Diversified Investor J. Miller, review the C. Harvick response (.10).	0.30	168.00
10/18/06	L. Ernce	Telephone call from investor M. Miselli (.10); review emails from C. Harvick re responses to latest inquiries from investor K. Miller (.10).	0.20	93.00



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10/19/06	M. Levinson	Exchange of email memoranda with A. Loraditch and L. Ernce re posting information on the Diversified Committee website about the disallowance of the \$20 million claim against the Diversified Fund.	0.10	56.00
10/19/06	L. Ernce	Review another inquiry from investor K. Miller (.10); review inquiry from investor G. Lewis (.10); email memo to investor G. Lewis (.20); review and respond to additional emails from investor G. Lewis (.30); exchange emails with M. Tucker re responses to latest K. Miller inquiry (.20); review email from investor A. Papas and email memo to Diversified professionals re statements by A. Papas and formulating a response (.20); review email from investor A. Olsen and telephone conference with M. Levinson re his receipt of a similar email (.20).	1.30	604.50
10/20/06	L. Ernce	Email memo to investor A. Olsen responding to his inquiries.	0.10	46.50
10/20/06	M. Levinson	Review the various drafts of the posting on the Diversified Committee website of the disallowance of the \$20 million claim and the numerous email memoranda from L. Ernce, A. Loraditch, B. Olson and J. Hermann re the same (.20); exchange of follow-up email memoranda with L. Ernce and A. Loraditch re posting the final version and related matters (.10).	0.30	168.00
10/20/06	L. Ernce	Update Diversified Committee's website to include latest debtors' monthly operating reports, information on disallowance of the Prospect High Income Fund claim and other recent developments.	0.60	279.00
10/21/06	L. Ernce	Review email from investor D. Palmer.	0.10	46.50
10/21/06	M. Levinson	Review email memoranda from a number of Diversified investors, including P. Papas, G. Lewis, A. Olson and K. Miller, review the exchange of email memoranda between M. Tucker and L. Ernce re several of such email memoranda and review the L. Ernce responses to several of them.	0.20	112.00
10/23/06	L. Ernce	Telephone call from investor K. Woltz (.20); review investor list and draft email response to investor D. Palmer (.10).	0.30	139.50



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10/25/06	M. Levinson	Telephone conversation with Diversified Fund investor R. Sharpe.	0.10	56.00
10/26/06	L. Ernce	Review various investor emails and inquiries.	0.20	93.00
10/26/06	L. Ernce	Exchange emails with A. Loraditch re her communications with investors Alcaro.	0.10	46.50
10/27/06	L. Ernce	Review emails from investors M. Ricci, D.G. Menchetti and R. Ryan (.20); email to M. Levinson re message from investor D.G. Menchetti (.10).	0.30	139.50
10/27/06	M. Levinson	Review the exchange of email memoranda between creditors and investors, the Riegers, and R. Charles re the motion to convert, email the Riegers, R. Charles and others and exchange brief follow-up email memoranda with R. Charles (.20); lengthy voicemail message from Diversified investor, E. Johnson, brief telephone conversation with L. Ernce re the same, review exchange of L. Ernce and M. Tucker email memoranda re the same (.20).	0.40	224.00
10/27/06	L. Ernce	Revise and update Diversified Committee website.	0.50	232.50
10/27/06	L. Ernce	Telephone conference with investor E. Johnston re inquiries about tax issues (.10); confer with M. Levinson re same, email to M. Tucker and C. Harvick re same and review M. Tucker response (.10).	0.20	93.00
10/30/06	M. Levinson	Telephone conversation with investor D. Howard (.10); review L. Ernce email memoranda to various Diversified Fund investors including K. Wise and D. Mesker (.10).	0.20	112.00
10/30/06	L. Ernce	Review and respond to email from investor G. Levites (.10); review and respond to email inquiries from investors Wise (.20); review and respond to email inquiry from investor R. Ryan (.10); telephone call from investor J. Abodeely and email additional information per his request (.20).	0.60	279.00
B154 – Meetings & Communications with the Creditors or Equity holders			17.50	8,511.00
Total				



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<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Lynn T. Ernce	13.60	465.00	6,324.00
Jeffery D. Hermann	0.30	570.00	171.00
Marc A. Levinson	3.60	560.00	2,016.00
Total All Timekeepers	17.50	\$486.34	\$8,511.00



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Task B160 – Fee/Employment Applications

10/03/06	M. Levinson	Review the draft order approving Orrick's first interim fee application and the L. Ernce email memorandum to A. Landis re the same.	0.10	56.00
10/03/06	L. Ernce	Draft and revise form of order approving Orrick's fee application (.30); finalize form of order approving Orrick's fee application and email to A. Landis for approval (.20).	0.50	232.50
10/04/06	L. Ernce	Review emails from A. Landis approving orders on Alvarez, Gordon & Silver and Orrick fee applications (.10); emails with A. Loraditch re lodging approved Orrick order with court (.10).	0.20	93.00
10/05/06	L. Ernce	Review Beckley Singleton's supplemental Rule 2014 disclosure and email memo to M. Levinson re same.	0.10	46.50
10/06/06	L. Ernce	Begin reviewing and editing Orrick's prebill for September 2006.	1.00	465.00
10/06/06	L. Ernce	Email memo to A. Loraditch re preparing and filing application for reimbursement of Diversified Committee member expenses and timing issues.	0.10	46.50
10/09/06	L. Ernce	Continue reviewing and revising Orrick's September 2006 prebill (2.40); email memo to J. Hermann re billing protocol and review J. Hermann response (.10); email memo to M. McAndrews re same (.10); email memo to M. Levinson re status of prebill review and next steps (.10).	2.70	1,255.50
10/10/06	L. Ernce	Review email and revised time entries for M. McAndrews on Orrick's September prebill and email M. Levinson re status (.10); draft and revise Diversified Committee's application for reimbursement of committee member expenses (.50); email memo to A. Loraditch re same and question about fund availability (.10); review A. Loraditch revised draft of application (.10); email memo to A. Loraditch re finalizing and filing application (.10); further review and attention to Orrick's September fees and expenses (.70).	1.60	744.00



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10/16/06	M. Levinson	Review A. Landis objection to Orrick's monthly fee statement for August (.20); conference with L. Ernce and telephone conversation with J. Hermann re responding to the same (.10); review L. Ernce email memorandum to A. Landis in response to the U.S. Trustee's objection (.10).	0.40	224.00
10/16/06	L. Ernce	Review U.S. Trustee notices of objection to monthly fee statements of multiple estate professionals, including Orrick (.20); review M. Levinson email re same and next steps (.10); email memo to A. Landis acknowledging receipt of objection and requesting additional information (.10).	0.40	186.00
10/18/06	L. Ernce	Review and analysis of fee applications and re responses to U.S. Trustee objection to Orrick's monthly fee statement.	1.80	837.00
10/20/06	L. Ernce	Further review and analysis and re responses to U.S. Trustee objection to Orrick's monthly fee statement.	1.20	558.00
10/23/06	L. Ernce	Continue to work on analysis of fee applications and re responses to U.S. Trustee objection to Orrick's monthly fee statement.	0.80	372.00
10/24/06	M. Levinson	Attention to Orrick's fee statement for the month of September.	1.50	840.00
10/24/06	L. Ernce	Review next version of Orrick's prebill for September 2006 for purposes of preparing Orrick's next monthly fee statement (1.00); emails to J. Hermann re responding to U.S. Trustee's objections to Orrick's monthly statement (.10); email memo to M. Levinson re status of Orrick preparation for Orrick's next monthly fee statement and related matters (.10).	1.20	558.00
10/25/06	M. Levinson	Portion of conference with L. Ernce devoted to finalizing Orrick's September fee statement (.10); review the fee statement pleading, including exhibits, slightly revise the pleading and sign the final version (.20).	0.30	168.00
10/25/06	M. Levinson	Portion of conference with L. Ernce devoted to the U.S. Trustee's comments to Orrick's August fee statement.	0.10	56.00



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10/25/06	L. Ernce	Confer with M. Levinson re status and strategy for response to U.S. Trustee objection to Orrick's monthly fee statement for August 2006 (.10); begin drafting written response (.50).	0.60	279.00
10/25/06	L. Ernce	Exchange emails with M. Levinson re status of his review of Orrick bills for purposes of preparing monthly fee statement (.10); draft and revise Orrick's monthly fee statement for September 2006 and exhibits (1.00); email to M. Levinson re same (.10); review M. Levinson comments and revise and finalize monthly fee statement (.20); email Orrick's monthly fee statement to reviewing parties per interim fee procedures order (.10); letters to Diversified Committee chair and A. Landis re same (.20).	1.70	790.50
10/25/06	L. Ernce	Email memo to A. Loraditch re Nevada fee practice questions raised by U.S. Trustee objection to Orrick's monthly fee statement.	0.10	46.50
10/26/06	M. Levinson	Conference with L. Ernce re responding to the U.S. Trustee's objections to Orrick's August statement (.10); review a series of L. Ernce, B. Olson and A. Loraditch re responding to two of the objections (.10).	0.20	112.00
10/26/06	L. Ernce	Continue working on response to U.S. Trustee objection to Orrick's monthly fee statement including attention to expense questions, research re fee caps in different jurisdictions and emails with A. Loraditch re Nevada fee practice (2.40); review email from B. Olson re Nevada fee practice (.10).	2.50	1,162.50
10/27/06	L. Ernce	Email memo to J. Hermann re status of response to A. Landis on objection to Orrick's monthly fee statement and review J. Hermann response (.10); conference with M. Levinson re status of same (.10); revise and finalize draft letter to A. Landis responding to all objections (.80); email memo to M. Levinson transmitting same for comment (.10).	1.10	511.50
<i>B160 – Fee/Employment Applications Total</i>			<i>20.20</i>	<i>9,640.00</i>



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<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Lynn T. Ernce	17.60	465.00	8,184.00
Marc A. Levinson	2.60	560.00	1,456.00
Total All Timekeepers	20.20	\$477.23	\$9,640.00



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Task B170 – Fee/Employment Objections

10/02/06	L. Ernce	Review exchange of emails from A. Landis and others re proposed orders approving Shea & Carlyon, Stutman Treister & Glatt and Lewis and Roca fee applications.	0.20	93.00
10/03/06	L. Ernce	Review emails among professionals including A. Landis and review revised proposed orders granting Stutman, Alvarez and other applications (.20).	0.20	93.00
10/04/06	L. Ernce	Exchange emails with M. Levinson, A. Loraditch and A. Parlen re status of Ray Quinney monthly statement for August (.20); review order approving First Trust Deed Fund Committee expense application (.10).	0.30	139.50
10/05/06	M. Levinson	Review and analyze A. Jarvis email memorandum re allocation of the fees of the debtors' professionals (.20); review and analyze the draft order approving the Ray Quinney interim application and the proposed fee allocation compromise (.20).	0.40	224.00
10/05/06	L. Ernce	Further emails with A. Loraditch and Stutman attorneys re status of monthly fee statements for Ray Quinney and related matters.	0.10	46.50
10/05/06	L. Ernce	Review draft order approving Mesirow's first interim fee application.	0.10	46.50
10/06/06	M. Levinson	Review lengthy E. Karasik email memorandum to A. Jarvis re the proposed Ray Quinney fee order and the allocation of fees portion in particular (.20); review the exchange of a number of follow-up email memoranda from N. Peterman, S. Freeman, C. Carlyon, E. Karasik and F. Merola (.20).	0.40	224.00
10/06/06	L. Ernce	Review multiple exchanges of emails among E. Karasik, S. Freeman, C. Carlyon and N. Peterman re allocations contained in proposed order approving Mesirow's fee application and disagreements re same (.20); exchange emails with A. Parlen re monthly fee statements (.10).	0.30	139.50



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10/09/06	M. Levinson	Further attention to the issue of allocation of the debtors' professionals' fees and costs, including the review of many email memoranda and several pleadings including the USACM Committee's objection, the responses thereto, the draft form of order and the revised version of the draft Ray Quinney order (.40); telephone conversation with C. Harvick in preparation for the upcoming call (.10); long telephone conversation re allocation with T. Allison, A. Jarvis, N. Peterman, F. Merola, E. Karasik, S. Freeman and C. Harvick (.50); follow-up conversation with C. Harvick (.10); review the revised form of Ray Quinney interim fee order circulated by S. Freeman (.20); review G. Gordon email commenting on the form of order and the S. Freeman response thereto (.10).	1.40	784.00
10/16/06	L. Ernce	Review form of order approving Ray Quinney fee application.	0.10	46.50
10/17/06	M. Levinson	Review last night's draft of the Ray Quinney interim fee order, comparing it to prior drafts (.20); review the proposed Mesirow and Schwartzter interim orders (.10); review the S. Smith, A. Loraditch and other email memoranda re the forms of order (.10); telephone conversation with A. Loraditch and B. Olson re approving the three forms of order (.10).	0.50	280.00
10/17/06	L. Ernce	Review emails and proposed orders on Mesirow, Ray Quinney and Schwartzter McPherson fee applications (.20); review emails from A. Loraditch and S. Freeman re fee allocation issues (.10).	0.30	139.50
10/18/06	M. Levinson	Review C. Carlyon, J. McPherson and E. Karasik email memoranda re the proposed orders approving and allocating the fees of the debtors' professionals.	0.20	112.00
10/18/06	L. Ernce	Review exchanges of emails among E. Karasik, C. Carlyon, J. McPherson and others re fee allocation issues related to order approving Schwartzter & McPherson fee application.	0.10	46.50
10/23/06	L. Ernce	Review latest version of order approving Mesirow's fee application; review email from C. Carlyon re disapproval of order.	0.10	46.50



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10/25/06	L. Ernce	Review objection by the First Trust Deed Committee to the Schwartz & McPherson fee order based on over-allocation of fees to the First Trust Deed Fund; email memo to M. Levinson re same (.20).	0.20	93.00
10/25/06	L. Ernce	Review portions of monthly fee statements filed by other estates' professionals.	0.30	139.50
		<i>B170 – Fee/Employment Objections Total</i>	<i>5.20</i>	<i>2,693.50</i>

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	2.30	465.00	1,069.50
Marc A. Levinson	2.90	560.00	1,624.00
Total All Timekeepers	5.20	\$517.98	\$2,693.50



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Task B210 – Business Operations

10/23/06	L. Ernce	Review First Trust Deed Committee's objection to fourth revised budget in light of court's not yet approving stipulated extension of time to respond and email memo to Diversified Committee professionals summarizing objection.	0.20	93.00
10/27/06	L. Ernce	Review debtors' reply brief in support of cash collateral motion and fourth revised budget.	0.20	93.00
<i>B210 – Business Operations Total</i>			<i>0.40</i>	<i>186.00</i>

<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Lynn T. Ernce	0.40	465.00	186.00
Total All Timekeepers	0.40	\$465.00	\$186.00



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Task B220 – Employee Benefits/Pensions

10/13/06	L. Ernce	Review form of proposed order granting debtors' motion to freeze pension plan.	0.10	46.50
10/23/06	L. Ernce	Review reply brief in support of debtors' employee retention motion.	0.10	46.50
10/31/06	L. Ernce	Review form of order approving employee retention plan motion.	0.10	46.50
<i>B220 – Employee Benefits/Pensions Total</i>			<i>0.30</i>	<i>139.50</i>

<u>Timekeeper Summary</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Lynn T. Ernce	0.30	465.00	139.50
Total All Timekeepers	0.30	\$465.00	\$139.50



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Task B230 – Financing/Cash Collections

10/05/06	M. Levinson	Initial review of the debtors' motion to use cash through January 2007.	0.20	112.00
10/05/06	L. Ernce	Review debtors' motion for continued use of cash collateral per fourth revised budget and email memo to Diversified Committee professionals re same and debtors' anticipated timing for filing fourth revised budget.	0.20	93.00
10/11/06	M. Levinson	Review the draft stipulation re briefing schedule for the motion for continued use of cash, review the numerous follow-up email memoranda from various counsel re the same and exchange email memoranda with A. Loraditch re the same.	0.20	112.00
10/11/06	M. Levinson	Review R. Charles draft stipulation re the debtors' proposed budget through January 31st and the A. Loraditch, C. Carlyon, C. Pajak and L. Schwartzer follow-up email memoranda.	0.20	112.00
10/20/06	L. Ernce	Review debtors' fourth revised budget filed today and email to Diversified Committee professionals re same.	0.20	93.00
10/27/06	M. Levinson	Review the debtors' reply memorandum re the motion to use cash (.20); review and respond to a number of J. Hermann and M. Tucker follow-up email memoranda re the same (.20); telephone conversation with J. Hermann re the same (.10).	0.50	280.00
<i>B230 – Financing/Cash Collections Total</i>			<i>1.50</i>	<i>802.00</i>

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	0.40	465.00	186.00
Marc A. Levinson	1.10	560.00	616.00
Total All Timekeepers	1.50	\$534.67	\$802.00



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Task B310 – Claims Administration and Objections

10/04/06	J. Hermann	Consideration and analysis of issues involved in Diversified Committee filing proof of claim against USACM and content of such proof of claim (.20); telephone conference with L. Ernce and C. Harvick regarding issues in connection with the same (.10).	0.30	171.00
10/06/06	M. Levinson	Initial review of the motion re intercompany claims.	0.20	112.00
10/06/06	L. Ernce	Review debtors' intercompany claims motion (.10); email memo to Diversified Committee professionals summarizing relief sought (.10).	0.20	93.00
10/07/06	M. Levinson	Review and analyze lengthy R. Charles email memorandum re the intercompany claims motion.	0.20	112.00
10/09/06	M. Levinson	Exchange a series of email memoranda with R. Charles, S. Freeman and E. Karasik re next steps with respect to the debtors' intercompany claim motion (.10); exchange a series of email memoranda with A. Landis, G. Gordon, R. Charles, S. Freeman and E. Karasik re shortening time on such motion (.10).	0.20	112.00
10/09/06	L. Ernce	Review A. Loraditch email memo re debtors' intercompany claims motion and related issues.	0.10	46.50
10/10/06	M. Levinson	Further review and analysis of the debtors' motion regarding the filing of intercompany claims in preparation for this afternoon's call re the same (.30); portion of telephone conversation with E. Karasik and S. Freeman re responding to the motion (.20); review lengthy R. Charles email memorandum to A. Landis re the same (.10).	0.60	336.00
10/11/06	L. Ernce	Email and telephone conference with A. Loraditch re filing claim objection to proofs of claim filed by equity investors and email latest Diversified Fund investor mailing list received from BMC Group.	0.20	93.00
10/11/06	L. Ernce	Review A. Loraditch email memo and attachment re Diversified Fund's claim against USA Commercial and setoff research.	0.20	93.00



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10/18/06	M. Levinson	Review A. Landis email memorandum re the U.S. Trustee's revised position on the intercompany claims motion, review the R. Charles response thereto and review the G. Garman email memorandum re the same (.10); review the E. Karasik revised version of the joint committee response to the intercompany claims motion (.10).	0.20	112.00
10/19/06	M. Levinson	Review the A. Loraditch, B. Olson and J. Hermann email memoranda re the disallowance at today's hearing of the Prospect High Income Fund \$20 million claim and respond thereto.	0.10	56.00
10/19/06	L. Ernce	Exchange emails with Diversified Committee professionals re the filing of claims against other debtors by the Diversified Fund and related matters.	0.20	93.00
10/19/06	L. Ernce	Review A. Loraditch email re the disallowance of the Prospect High Income Fund claim and exchange emails with A. Loraditch, M. Levinson and R. Olson re drafting informational sheet/press release for posting on website and providing to news reporters.	0.20	93.00
10/20/06	M. Levinson	Review J. Hermann and A. Loraditch email memoranda re dealing with various proofs of claim and interest filed by Diversified investors.	0.10	56.00
10/20/06	L. Ernce	Further exchange of emails with A. Loraditch re press release document about denial of the Prospect High Income Fund claim and suggestions re information to include (.20); review emails from J. Hermann and A. Loraditch re updated proof of claim against Diversified Fund (.10); review and revise draft press release and email memo to A. Loraditch and B. Olson re additional comments and suggestions (.50); exchange emails with A. Loraditch, B. Olson, M. Levinson and J. Hermann re draft press release modifications (.30); revise and finalize press release (.20).	1.30	604.50
10/25/06	M. Levinson	Portion of conference with L. Ernce devoted to the intercompany claims motion and the four-committee stipulation re the same.	0.10	56.00
10/25/06	L. Ernce	Confer with M. Levinson re motion and stipulation on intercompany claims.	0.10	46.50